

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION**

<b>In re:</b>	)	<b>Chapter 11 Proceeding</b>
	)	
<b>Shook &amp; Fletcher Insulation Co</b>	)	<b>Case No(s). BK02-02771-BGC-11</b>
	)	
<b>Debtor(s).</b>	)	

**CHAPTER 11 OPERATING ORDER**

This Order affects your legal rights. You may object to it. If you choose to object, you must do so in writing within seven days of the date this Order was signed. All objections must be filed with the Bankruptcy Clerk's Office. All requirements in the Order not objected to will become effective on the eighth day following the date this Order was signed. If any such written objections are filed, the Clerk will set the hearing and send out notice.

On the effective day of this Order, the Debtor is **ORDERED** to comply with the following:

**A. MEETING WITH THE BANKRUPTCY ADMINISTRATOR**

The Debtor and the Debtor's attorney shall meet with the Bankruptcy Administrator:

Date: April 23, 2002  
Time: 1:00 P.M.  
Location:  
Office of the Bankruptcy Administrator  
Northern District of Alabama, Southern Division  
1800 5<sup>th</sup> Avenue North, Suite 132  
Birmingham, Alabama 35203


**B. BOOKS AND RECORDS**

New books and records must have been opened on the date the Chapter 11 petition was filed. If they were not, they must be opened upon receipt of this Order. The Debtor must then close all of its old books and records and reconcile as of the day preceding the filing of the bankruptcy.

**C. NEW BANK ACCOUNTS**

Necessary new bank accounts must have been opened on the date the Chapter 11 petition was filed. If they were not, they must be opened upon receipt of this Order. The Debtor must then close all old bank accounts and reconcile as of the day preceding the filing of the bankruptcy.

When new accounts are set up:

<b>ENTERED</b>
APR 10 2002
Clerk, U.S. Bankruptcy Court Northern District of Alabama
By: 

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1. The words "Chapter 11, Debtor-in-Possession - Bankruptcy Case No. BK02-02771-BGC-11" must be written on all account signature cards; and
2. all old accounts must be balanced, reconciled, and closed.

#### **D. PROOF OF NEW BANK ACCOUNTS**

When the Debtor opens a new account, it must file with the Bankruptcy Clerk's Office no later than the date set out in paragraph A:

1. The first check from the new account;
2. a copy of a signature card for every account in use after the date of filing the bankruptcy petition bearing the words "Chapter 11 Debtor-in-Possession - Bankruptcy Case No.\_\_\_\_," and
3. a reconciled bank statement for every account in use before the filing of the bankruptcy petition.

#### **E. BANK COLLATERALIZATION**

The Federal Deposit Insurance Corporation (FDIC) insures its depositors (here Debtors-in-Possession) for \$100,000. This maximum amount is applied to each depositor by each insured institution. It does not apply to each account. Therefore, insurance is not increased merely by dividing funds among different accounts in the same institution.

If the Debtor-in-Possession has one or more accounts in any single institution where the total amount on deposit exceeds \$100,000, the Debtor-in-Possession must either open another account in a separate bank or require from the institution holding these funds a deposit of securities with the Federal Reserve Bank of Nashville, equal to the difference in the amount on deposit and \$100,000. This should be done by the Debtor immediately. Form BA-40(11), attached to this Order, should be used to complete this process. After the depository completes the form, it must be filed in duplicate with the Bankruptcy Clerk's Office.

#### **F. BANK STATEMENTS**

The Debtor-in-Possession must file with the Bankruptcy Clerk's Office a copy of all monthly bank statements. The statements must be filed along with the Chapter 11 operating reports described in Paragraph "M" on a monthly basis and must be the statements for the month covered by the monthly operating reports. If the Debtor does not receive its statements from its bank by the 15th of the month so that the Debtor is able to file them with the operating reports, the operating reports must be filed by the 15th and the bank statements must be filed by the last working day of that month.

#### **G. TAX AND PAYROLL ACCOUNTS**

1. Within three workdays after each regular payroll period, the Debtor is required to pay to the Internal Revenue Service withheld or collected taxes in the form of a Federal Tax Deposit.

All tax deposits must be confirmed by attaching Form 6123, Verification of Fiduciary's Federal Tax Deposit, to each monthly operating report.

2. Within three workdays after each regular quarterly period, the Debtor is required to pay to the Internal Revenue Service the federal unemployment tax in the form of a Federal Tax Deposit.
3. If the Debtor is an individual required to make quarterly tax estimate payments, those payments should be made when due as well as all other applicable taxes.
4. All other taxes should be paid when due.

#### **H. INSURANCE**

1. The Debtor shall insure all of its properties for loss caused by fire, theft, liability, collision and casualty, and, if required, workmen's compensation.
2. By the date set out in paragraph A, the Debtor shall file with the Bankruptcy Clerk's Office copies of all of its insurance policies or certificates or a list of all of its insurance policies. If a list is filed, each policy should be described to include:
  - a. policy number;
  - b. name of the insured;
  - c. a general description of the property insured;
  - d. the beneficiary;
  - e. name and address of the insuring agent;
  - f. amount of coverage;
  - g. type of insurance;
  - h. date of expiration;
  - i. amount of premium;
  - j. insurance carrier;
  - k. premium due date.
3. If a notice of cancellation or of non-renewal is given on any of the Debtor's insurance policies, or the Debtor chooses not to renew any policy, the Debtor must notify the Bankruptcy Administrator in writing no later than three days after receipt of the notice or after deciding not to renew.

#### **I. INVENTORY**

If the Debtor has not filed a detailed list of property on Schedule B to its petition, the Debtor must file a list of all property with the Bankruptcy Clerk's Office no later than the date in Paragraph A.

#### **J. COPIES TO THE BANKRUPTCY ADMINISTRATOR**

The Debtor shall provide the Bankruptcy Administrator with copies of motions to employ professionals, applications for compensation and expenses, and all plans and disclosure statements.

## K. INSPECTION OF PROPERTY AND RECORDS

The Debtor shall permit the Bankruptcy Administrator reasonable inspection of its premises, properties, and books and records.

## L. FINANCIAL REPORTS

The Debtor shall file the operating reports that are attached to this Order as well as all internally and externally generated financial statements according to this schedule:

<u>DEBTOR</u>	<u>FILE FORMS</u>	<u>PERIOD</u>
1. Individuals not in Business	Individual BA-01 Individual BA-02	Monthly Monthly
2. Individuals in Business (Sole Proprietorship)	Individual BA-01 Individual BA-02 Business BA-01 Business BA-02 [with attachments 2(A) - 2(D)] Business BA-03 [with attachment 3(A)] Business BA-04	Monthly Monthly Monthly Monthly  Monthly  Monthly
Partnerships, Corporations and Joint Ventures	Business BA-01 Business BA-02 [w/attachments 2(A) - 2(D)] Business BA-03 [w/attachment 3(A)] Business BA-04	Monthly Monthly  Monthly  Monthly

The Bankruptcy Administrator may adjust, as he deems necessary, the content of these forms and which forms should be filed by this debtor.

**AN ORIGINAL AND A COPY** (the copy will be forwarded by the Clerk to the Bankruptcy Administrator's Office) of the required operating reports should be filed with the **CLERK'S OFFICE** (**not the Bankruptcy Administrator's Office**) as set out below:

U.S. Bankruptcy Court  
Bankruptcy Clerk  
Robert S. Vance Federal Building  
1800 Fifth Avenue North  
Birmingham, Alabama 35203

## M. DEBTOR COUNSELING

The U.S. Small Business Administration sponsors or coordinates centers throughout the State of Alabama which offer free financial counseling. If the Bankruptcy Administrator determines that the Debtor qualifies for and would benefit from such counseling, he may require the Debtor to meet with a representative of one of these centers and may require the Debtor to report to the Clerk of the Court that there was a meeting.

## N. 120 DAY REPORT

On or before 120 days after the commencement of this case, the Debtor-in-Possession shall file a plan and disclosure statement. If the Debtor does not file these documents within 120 days, it shall file on or before the 120th day a report to the Court explaining why a plan and disclosure statement have not been filed and shall describe what preparations are being undertaken to file those documents and shall specify a date when the plan and disclosure statement will be filed.

## O. POST CONFIRMATION REPORTS

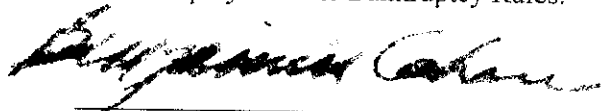
If a plan of reorganization is confirmed, the Debtor can discontinue filing operating reports BA 1-5 in most cases, however, the Debtor shall complete and file a post confirmation report with the Bankruptcy Clerk's Office, in duplicate, on the 15th day of every month following confirmation. That report shall be filed on Form No. BA-06 as attached to this Order.

## P. MISCELLANEOUS PROVISIONS

1. References in this Order to "Bankruptcy Administrator" include persons the Bankruptcy Administrator may designate.
2. All documents to be filed with or served on the Bankruptcy Administrator shall be delivered to the Bankruptcy Administrator divisional office where the case is pending.
3. All documents to be filed with or served on the Bankruptcy Clerk shall be delivered to the divisional office of the Clerk where the case is pending.
4. All references to gender in this Order shall be construed as neutral. If the Debtor is not an individual, a responsible party shall be designated.
5. The Debtor shall provide the Chairperson of any committee appointed by the Court in this case copies of all documents required to be filed with or served on the Bankruptcy Administrator or the Bankruptcy Clerk.

This Order does not relieve the Debtor of any requirements of the Bankruptcy Code or Bankruptcy Rules.

**DONE AND ORDERED** the 10 day of April, 2002.

  
BENJAMIN G. COHEN  
UNITED STATES BANKRUPTCY JUDGE